

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Lowenthal Analyst: Jeani Brent Bill Number: AB 809

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 05/23/2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Exclusion/Interest Received From Smog Impact Fee Refunds

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED 05/23/2000 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL), this bill would exclude from the gross income of taxpayers who were not allowed to deduct the vehicle smog impact fee any interest paid by the state in conjunction with the refund of the smog impact fee.

Under the Vehicle Code, this bill would establish a procedure for refunding the smog impact fee. These changes do not affect the department and are not discussed in this analysis.

SUMMARY OF AMENDMENT

The May 23, 2000, amendments made changes to the Vehicle Code which do not impact the department.

The department's prior analysis of the bill as amended March 9, 2000, still applies, including the technical consideration, which is restated below for convenience.

Technical Considerations

Amendment 1 would clarify that the word "deduct" means an income tax deduction.

BOARD POSITION

Pending.

Board Position:

<u> </u> S	<u> </u> NA	<u> </u> NP
<u> </u> SA	<u> </u> O	<u> </u> NAR
<u> </u> N	<u> </u> OUA	<u> </u> X PENDING

Legislative Director

Date

Johnnie Lou Rosas

6/8/00

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 809
As Amended May 23, 2000

AMENDMENT 1

On page 4, modify lines 20 and 21, as follows:

17139.5. For taxpayers who were not allowed to ~~deduct~~ a deduction under Article 6 (commencing with Section 17201) of Chapter 3 for the vehicle smog impact fee imposed by Section